

Embargoed for release until: 20 May 2009, 10.00 a.m. CET

## Annual General Meeting Deutsche Börse Aktiengesellschaft

20 May 2009

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– Convenience translation –

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Check against delivery.

Ladies and Gentlemen,

On behalf of the Executive Board of Deutsche Börse Aktiengesellschaft, welcome to your Company's Annual General Meeting. I would also like to welcome those shareholders following the webcast of the Annual General Meeting, as well as the media representatives. Thank you for joining us.

Ladies and Gentlemen,

We look back today on a very successful financial year, one in which we weathered the financial crisis and demonstrated once again the strength of this Company. Yet this year will hold more than a few trials in store for us, challenging us to prove that we can master the negative consequences of this crisis, which is now in its second year. I will discuss both in greater detail later. But first – and while this may be somewhat unconventional, it is certainly well deserved – allow me to say a special thanks to our employees, whose extraordinary efforts know no bounds.

## 1. 2008 financial year and annual financial statements

### 1.1 Introduction: Overview

I shall begin by presenting an overview of financial year 2008: (Slide 1)

- § Financial year 2008 was a record year for Deutsche Börse Group. We achieved the best results in the Company's history, cementing our position as the most profitable exchange operator in the world, leading also in terms of sales revenue. This is primarily attributable to the stable development of Eurex and Clearstream, as well as to the consolidation of the US options exchange International Securities Exchange (ISE), which we acquired at the end of 2007. However, I would like to stress at this juncture that we cannot expect 2009 to be yet another record year. The capital markets are in too weak a condition for that.
- § Our position at the technological forefront, our employees' expertise and our diversified business model have withstood the test of the financial crisis. In 2008, we favoured organic growth for our business model and expanded it internationally. By doing so, we remained firmly committed to the principle that although external growth was still an option, it was not something to be pursued at any cost.
- § During all of our efforts to foster growth, we maintained strict cost discipline: we brought down costs further than originally announced and integrated ISE into the Group more rapidly than initially planned. Doing so enabled us to adapt to the rapidly changing economic environment early on. This is now paying off, particularly given the current difficult phase.
- § In the past year, the financial crisis led to new maximum loads on our electronic trading systems. Our systems handled these loads with ease thanks to their high performance capability. Our systems and services for the efficient management of risk played a key role

in ensuring the stability of the financial system and the competitiveness of the location in which we operate.

§ Unfortunately, however, our share price did not reflect the positive development of our business. Nor was our share insulated from the general trend on the market. Although the share price slightly outperformed the index of exchange operators around the world, which fell by 67 percent, we cannot be satisfied with a 63 percent decline in financial year 2008. Thanks to our business model, our strict risk management policy and our programs to enhance efficiency, we at Deutsche Börse AG continue to offer excellent opportunities to participate in the long-term growth potential of the international capital markets. This is also shown by our recent share price performance. In any case, Deutsche Börse remains one of the most valuable exchange organizations in the world in terms of market capitalization.

§ Dear shareholders, despite the fact that we are operating in a difficult market environment we can look back on successes, which we would like to share with you. The Executive Board therefore proposes a dividend for 2008 of €2.10 per share – this is the same amount as in the previous year.

In the following, I will

- § first present the 2008 annual financial statements,
- § then present and discuss Deutsche Börse's strategy,
- § and finally, provide an overview of business developments in the first quarter of 2009 and, following a brief summary, conclude with an outlook.

## 1.2 2008 annual financial statements

Financial year 2008 was a record year in many respects. This can be seen in the following figures, which you can also find on our website and access at the information terminals set up here at the Jahrhunderthalle: (Slide 2)

- § Sales revenue again experienced double-digit growth in 2008: by 12 percent to €2.5 billion. The consolidation in full of ISE and the solid performances of Eurex and Clearstream were contributing factors to this growth.
- § Net interest income from banking business grew by 3 percent to €237 million. This was due primarily to the large customer cash balances.
- § Total costs fell by 3 percent to just under €1.3 billion. Our restructuring and efficiency program has thus proven itself effective. Excluding additional costs incurred in connection with the consolidation in full of ISE, we would have lowered costs by as much as 15 percent.
- § Earnings before interest, tax and goodwill impairment (EBITA for short) grew by 12 percent to exceed the €1.5 billion mark for the first time.

§ Consolidated net income for the year, or earnings after tax after minority interests, rose by roughly the same amount, 13 percent, and passed the €1 billion mark for the first time.

§ Basic earnings per share in accordance with IAS 33 rose even further: by 15 percent to a record €5.42.

We have thus achieved our best results yet, under the most difficult market conditions in decades. I would now like to describe the strategy that brought us here and how we intend to deal with the uncertainties in the current market environment.

## 2. Deutsche Börse Group's positioning and strategy

### 2.1 Introduction

Our integrated business model remains at the center of our strategy. (Slide 3) This model again proved effective in 2008, a year marked by the financial crisis. It provides us with the foundation, on the basis of which we will emerge from the ongoing crisis stronger than before.

The key concept underlying the regulatory proposals currently being discussed as options to grapple with the financial crisis is risk management. We offer the entire value chain in securities trading, and every single link in that chain plays a role in controlling risk. Risk management is therefore a core element of our business.

We organize regulated markets on which our customers can manage market and liquidity risks. We operate electronic trading and settlement systems, the stability of which minimizes our customers' operating risks. And our clearing house serves to protect our customers against counterparty default risk. Moreover, we hold our internal risk management system to the highest of standards. This not only contributes to the *operating* stability of our Company, but also to the *systemic* stability of the financial markets. This benefits both our customers and you, our shareholders.

In order to ensure that this remains the case, and even improves over the long term, our strategy pursues three objectives: Generating growth, increasing operating efficiency and assuring an adequate capital structure. How do we realize these objectives?

### 2.2 Growth

Our business model enables us to realize economies of scale and synergies – thus providing us with a firm foundation for growth. We are developing this business model in five directions: first, by expanding our existing business or increasing its efficiency; second, by tapping into new product segments; third, by expanding into new growth regions and markets; fourth, by adding new links to our value chain, tapping into new customer groups along the way – groups that previously had only indirect access to our services via intermediaries; and fifth, by further diversifying our value chain, thereby developing new services that previously had only been offered by intermediaries.

We have room to grow in each of these directions – both organically and externally. Organic growth remains the highest priority. But we consider it our responsibility towards shareholders, customers, employees and all stakeholders in the Company to also permanently review our options for external growth. However, thanks to the strength and profitability of our business model, we are not dependent on such options. This enables us to be patient in the realization of potential opportunities.

Let me now illustrate how we implement our strategy using examples from our business areas:

- § The cash market segment, hosting electronic trading on Xetra<sup>®</sup>, which contributed 14 percent to the Group's earnings in 2008, was most directly affected by the crisis. Similarly to other European exchanges, order book turnover declined: in the case of Xetra by 12 percent. We are working to expand our product range in order to reduce Xetra's vulnerability to such volatility. As a result, certain business streams at Xetra have generated growth, even during the crisis: these business streams include Exchange Traded Funds – an asset class for which we are a pioneer and a market leader in Europe – and another new asset class: Exchange Traded Commodities, particularly Xetra-Gold<sup>®</sup>. Xetra continues to see growth potential in algorithmic trading, where orders are generated by computers and executed within just a few milliseconds. Algorithmic trading was responsible for 43 percent of Xetra's order book turnover in 2008.
  
- § Eurex, which we operate in cooperation with the Swiss SIX Group, is amongst the world's most successful derivatives exchanges. Trading volume at Eurex grew by 17 percent to 3.2 billion contracts. The increase in volume at the US options exchange ISE also contributed to this result. Index derivatives generated the greatest amount of growth and have become the most-traded product, complementing Eurex's traditional strength in interest rate derivatives. This growth was due in part to the fact that we are constantly expanding our network of customers – last year alone, we welcomed more than 40 new members. We are bolstering our efforts here through our "Trader Development Program" for traders in central and eastern European countries, who thus far have not made use of Eurex and who would like to take up proprietary trading in Eurex products. In 2008, Deutsche Börse Group also opened a representative office in Beijing in order to better leverage the increasing demand for European products in Asia. And in 2009, we set up Eurex offices in Hong Kong and in Tokyo to complement our existing Clearstream offices. Traditional investment funds are an additional demand driver since they have obtained regulatory approval to invest in derivatives. Furthermore, strategies similar to the aforementioned algorithmic trading are also gaining ground on the derivatives market: they make up roughly 30 percent of trading volume, with room to grow further.

Eurex owns one of the globally leading clearing houses: Eurex Clearing. The central counterparty facility operated by Eurex Clearing as the leading clearing house in Europe serves to insure market players against counterparty default risk. The market players provide the counterparty with collateral in proportion to their trading risk. Eurex Clearing is the world's only clearinghouse that tracks the current risk in market players' positions in real time. We are confident that this offering can also improve risk management in off-exchange (or OTC) trading. We are therefore expanding our product range in this area and investing in our infrastructure. In the end, however, we are dependent on market

participants' willingness to improve risk management over the long term, and on the political will that lays the legal foundations for this to happen.

- § Clearstream is one of the largest international securities settlement and custody organizations. This business has proven to be highly stable throughout the current crisis. The value of securities held in custody by Clearstream in 2008 remained over €10 trillion. The increase in the number of international bonds issued and the greater volume of government bonds issued to finance fiscal measures offset declines in the share prices of equities. Clearstream is also benefiting from the trend towards collateralised financing. Together with the Eurex subsidiaries Eurex Repo and Eurex Clearing, Clearstream has developed an innovative solution for the interbank market, facilitating secured access to liquidity: "General Collateral Pooling", or GC Pooling. This is important, particularly in cycles of crisis in which confidence in the interbank market has evaporated. The average volume outstanding for GC Pooling thus climbed roughly 200 percent last year. GC Pooling is an example of a new service based on the fruitful collaboration between the different business areas Eurex and Clearstream within Deutsche Börse Group, while further diversifying our value chain. We also see further growth potential in our collaboration with other central securities depositories in Europe, such as with Link-Up Capital Markets, which we have been pushing forward since last year, and which provides our customers with access to almost 50 percent of the European securities market through a single interface.
- § The Group also owns a successful market data business as well as the IT service provider Deutsche Börse Systems. Demand remains high for trading data and stock exchange indices, not least as a consequence of new regulatory requirements. There is also still a great need for powerful trading and settlement systems. Thanks to our state-of-the-art technology, the availability of Xetra and Eurex at the customer last year was 99.99 percent, despite new peaks in the number of orders executed.

### 2.3 Operating efficiency

Thanks to our restructuring and efficiency program, we were able to optimize our cost base ahead of time. As we said at last year's AGM, we will save roughly €100 million in costs per year beginning in 2010. Moreover, our relocation to Eschborn, which will be completed next year, has already significantly reduced our tax burden last year. We are expecting our effective Group tax rate in 2010 to be 10 percentage points below the 2007 level.

Additionally, in February this year, we decided to reduce our costs by a further €70 million or around one third of our short-term influenceable costs (discretionary costs) for this financial year in reaction to a market environment that remains difficult. This considerable cut leaves us with a planned cost base of €1.28 billion in total. Cost discipline will remain a cornerstone of our corporate strategy. However, cost cuts will not come at the expenses of organic growth. We remain committed to our plan to invest an additional €45 million in projects to deliver organic growth and improve operating efficiency.

## 2.4 Capital management

In financial year 2008, our measures to manage our capital structure comprised three core elements: debt financing, share buy-backs and dividends. Our credit profile is crucial here since a significant portion of Deutsche Börse Group's business lies in post-trading functions, primarily the activities of Clearstream and Eurex Clearing. In the interest of optimizing the Group's credit profile, we adopted a plan for a holding structure for Clearstream in March 2009, which we intend to implement over the course of 2009. Under this plan, 51 percent of Deutsche Börse AG's shares in Clearstream International S.A. will be transferred to Deutsche Börse Dienstleistungs AG at book value. Deutsche Börse Dienstleistungs AG was established in June 2007 and is a wholly owned subsidiary of Deutsche Börse AG. Deutsche Börse Dienstleistungs AG and Deutsche Börse AG have entered into a profit and loss transfer agreement, which the 2008 Annual General Meeting has already approved.

To finance our acquisition of ISE we initially took on a short-term loan, which we refinanced in the second quarter of 2008 by issuing long-term debt securities for approximately €1.5 billion. We issued bonds denominated in euros and in US dollars, as well as a hybrid bond. The first tranche of these bonds will mature in 2013. With these instruments, we raised debt capital at favourable rates, demonstrating Deutsche Börse's excellent reputation in the capital markets, even in a difficult market environment. At the same time, this underscores the importance of maintaining and further enhancing this reputation.

Last year, we continued our share buy-back program, under which we bought back 6,240,778 shares for €380,459,309 on the basis of the authorization granted by last year's AGM. The buy-back program announced for last financial year was thus nearly utilised in full. We repurchased 3.2 percent of the share capital of €195 million, divided into 195 million no-par value shares. Taken together with additional own shares held in treasury, own shares accounted for a total of 4.7 percent of the share capital. Since we launched the share buy-back program in 2005, we have repurchased a total of 38,709,542 no-par value shares with a total value of approximately €1.9 billion. 28,605,760 of these shares have been cancelled and capital has been reduced accordingly. We presently hold a further 9,196,073 own shares in treasury. We intend to cancel these treasury shares in order to implement a capital reduction, to use them in a share program for Deutsche Börse Group employees, and/or to service debt financial instruments exchangeable into equity instruments. Whether and to what extent we intend to pursue the share buy-backs this year will be announced later on, most likely when we announce our half-yearly results in August 2009.

If you would like to know more about the Executive Board's authority to buy back or issue shares, please refer to the explanatory report of the Executive Board pursuant to sections 289 (4) and 315 (4) of Handelsgesetzbuch (HGB, the German Commercial Code). You will find this report on our website, as well as at the desk, where you can request to speak, here at the Jahrhunderthalle. Furthermore, the explanatory report contains a summary of significant voting rights notifications in 2008, an overview of change-of-control clauses in material agreements, and other disclosures required by law. I am hereby referring to this report of the Executive Board.

I turn now to the dividend (Slide 4). Of the €500 million in unappropriated surplus reported in the annual financial statements as at 31 December 2008, we intend to distribute approximately

€390 million as a dividend. This represents €2.10 per share carrying dividend rights. The remainder of approximately €110 million shall be transferred to "other retained earnings".

Thus we are distributing 38 percent of consolidated net income for the year as a dividend. We generally aim at a dividend distribution ratio of around 40 to 60 percent. Our proposal this year is at the lower end of the range defined by us. I believe that in a market environment that is characterized by great uncertainty, this proposal strikes the right balance between confidence in our business model and a suitably conservative attitude toward managing our finances. In general, our distribution policy and its twin components of share buy-backs and dividend distributions are subject to capital requirements, investment needs and general liquidity considerations.

In managing our capital structure, our aim is to make it possible for you, our shareholders, to have the greatest possible share in the success of your Company. However, the paramount objective is to ensure the Company's long-term solidity, which is also a crucial factor for the competitiveness of the location in which we operate. In uncertain times, we require the appropriate latitude to react flexibly to a rapidly changing market environment. I am convinced that this is also in the long-term interest of the shareholders.

### 3. Q1/2009 in Review, Summary and Outlook

#### 3.1 Business developments in Q1/2009

I turn now to the overview of Deutsche Börse Group's business developments in the first quarter of 2009. (Slide 5)

The environment for our further business development has grown more difficult for us, rendering it impossible to provide any certain forecasts for the current year. As I said at the beginning, new records can hardly be expected in the current business environment.

In the first quarter of 2009, sales revenue amounted to €540 million, down 16 percent year-on-year due to the considerable caution of market participants when trading. In addition, net interest income from banking business fell by 50 percent as a result of the historically low short-term interest rates. Nonetheless, we generated a solid operating result of €312 million. Compared to the best quarter in Company history, this represents a 27 percent drop. Our operating result was bolstered by our strict cost discipline, as we were able to cut costs in the first quarter of 2009 by 6 percent to €298 million, despite having made large investments in future growth. At this point I would like to emphasize that the cost guidance for the financial year 2009 remains unchanged. Net income in the first quarter was €206 million, a 32 percent decline. This figure benefited from a sharp reduction in the Group's tax rate, which now stands at 27 percent, due in part to the relocation of employees to Eschborn.

These figures confirm the expectation I expressed in February when I presented the 2008 annual financial statements: 2009 will be a challenging year for us. The financial crisis has broadened and turned into a general economic crisis that has affected us as well. However, we are well prepared. We will keep a close eye on further developments. We will seize growth opportunities

that present themselves. And we will use the capital of our shareholders responsibly and with an eye on the future.

### 3.2 Summary

Before I close by providing an outlook on the further development of your Company, allow me to sum up. (Slide 6)

1. Financial year 2008 was the most successful year in the history of Deutsche Börse Group. The Company defended its leading position as the most profitable exchange in the world, leading also in terms of sales revenue.
2. Particularly high-growth markets were those for exchange-traded funds for Xetra, index derivatives trading for Eurex, and global securities financing for Clearstream.
3. The remaining three quarters of 2009 will pose new challenges. We expect no new records in the current market environment. But we will do everything to maintain our excellent competitive position.
4. Our integrated business model provides us with a solid foundation from which to master this challenge. Risk management is a core element of our business. This offers us an opportunity to come out of this crisis stronger than before.
5. Our growth strategy consists of five elements: we are expanding our existing business. We are tapping into new product segments. We are expanding into new growth regions and markets. We are extending our value chain. And we are diversifying it. All the while, we are growing organically, and supplementing that growth by making targeted acquisitions, provided they create value.
6. At the same time, we are exercising strict cost discipline and adapting early on to the rapidly changing market environment. We have therefore supplemented our efficiency program with additional savings measures.
7. In addition, we have adopted an appropriately conservative attitude toward managing our capital structure; one that meets both, your requirements as shareholders, and those for a sustainable and sound corporate development.

### 3.3 Outlook

Ladies and Gentlemen, we have laid the foundations for the further development of your Company. As I explained, we began to further enhance our efficiency as early as the beginning of last year and we intend to continue to do so in the current year. While lowering costs, we will still have sufficient leeway to implement our growth strategy.

For example, our new "Xetra International Market" offering on the cash market will enable us to facilitate trading in European blue chips this year, with settlement taking place in the home markets. This will open the door to new international growth opportunities for us.

In February, we expanded our product range at Eurex to include gold futures and options. In March, we became the first European exchange to introduce trading in commodities index derivatives, a product line that is also developing extremely well. And demand for our futures contract on the dividends of the Dow Jones EURO STOXX 50<sup>®</sup> is so strong that we expanded this product in early May. Although Eurex has also been feeling the effects of the global economic crisis since 2009, times of crisis also bring with them the opportunity to improve one's competitive position. In the first quarter of 2009, Eurex and ISE traded more contracts than our largest peer, the Chicago Mercantile Exchange (CME), enabling us to bolster our position as the world's leading derivatives exchange.

At Clearstream, GC Pooling broke new records last year and we are expecting further growth in this area. Systems for automated collateral management – particularly for central bank money – are in high demand and will offer us further growth opportunities.

Of course, our prospects for 2009 and beyond also depend on the political environment. The German federal government's management of this crisis deserves our utmost respect. Nonetheless, in the current debate on reforming capital market regulation, it is vital to retain a sense of proportion. In this context, the premise is: as much as necessary, but as little as possible. The German capital market would suffer in particular if the stock exchange transaction tax that is occasionally put back on the table were to be introduced. Numerous empirical studies have shown that such a tax would drain liquidity from the markets, thus increasing market volatility rather than reducing it. In addition, a leak of liquidity into foreign markets would be a probable effect – to the disadvantage of Germany as a financial center. This would also render it more expensive for companies to raise capital. Furthermore, such a tax could easily be evaded by switching to the OTC markets. This would weaken capital market transparency and risk management immensely.

Ladies and Gentlemen, we are on the right track in a difficult environment. We are in an excellent position, have a variety of options at our disposal and have ensured that we have room to manoeuvre. We have every reason to be confident that we will master this difficult year and we appreciate your trust in the Company. I am pleased that you will accompany us on this path.

Thank you.